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**IOWA UTILITIES BOARD**  
**Energy Section**

Docket No.: TF-2012-0657 (RPU-2012-0002)

Utility: Interstate Power and Light Company

File Date: December 11, 2012

Memo Date: January 2, 2013

**TO:** The Board  
**FROM:** Robert LaRocca  
**SUBJECT:** Interstate Power and Light Company's compliance tariffs in RPU-2012-0002

**I. Background**

On May 25, 2012, Interstate Power and Light Company (IPL) filed with the Iowa Utilities Board (Board) a general rate case proceeding requesting a \$14,785,156 increase in its Iowa retail revenue requirement. As part of this filing, IPL implemented, on June 4, 2012, pursuant to Iowa Code § 476.6(10), an interim increase in the annual amount of \$8,612,094. On August 16, 2012, the parties to this case, the Office of Consumer Advocate, a division of the Iowa Department of Justice (OCA), the Iowa Consumers Coalition (ICC) and IPL, filed a Joint Settlement Agreement with the Board. This Joint Settlement Agreement resolved all outstanding issues among the parties and authorized a permanent increase in IPL's natural gas rates of \$10,500,000. The Board issued its final order on November 26, 2012, (November 26 Order) approving the Joint Settlement Agreement.

In the November 26 Order, the Board stated three proposed tariff revisions which it had concerns about in the Joint Settlement Agreement. IPL addressed those concerns as follows:

- The Board suggests that IPL change the term "producer" to "provider" in the tariffs filed in compliance with the order. IPL has changed the term "producer" to "provider" in the Indemnification Section of the Gas Service/Transportation Agreements on tariff sheet numbers 267, 278, 295, and 305.
- The Board suggests that IPL rename the Gas Service/Transportation - Take or Pay Agreements as Gas Service/Transportation Agreements – Seasonal in addition to including language addressing the criteria for a customer being

offered these agreements, i.e., distribution main extension cost over \$15,000 and the customer is seasonal. IPL has renamed the Gas Service Agreement –Take or Pay as Gas Service Agreement – Seasonal in Section 14.07 on tariff sheet numbers 275 through 285, and has added the customer criteria as a new Recital on tariff sheet number 275. IPL has renamed the Gas Transportation Agreement – Take or Pay as Gas Transportation Agreement – Seasonal in 3 Section 14.11 on tariff sheet numbers 302 through 312, and has added the customer criteria as a new recital on tariff sheet number 302

- The Board states that IPL should withdraw the proposed revisions to its interruptible service that requires existing or legacy interruptible customers to install telemetering equipment. According to the November 26 Order, IPL should also withdraw the proposed Excess Facilities Charge provisions in the Residential, General Service, Large General Service – Contract Demand, and Large General Service tariffs, and the Gas Service Agreement and Gas Service Agreement – Seasonal, since it appears that the charge is specifically related to the installation of telemetering equipment. IPL has made the requested revisions to the referenced tariffs and agreements. IPL will discontinue the practice of charging any existing interruptible customers an excess facilities charge for telemetering. IPL has also removed references to telemetering found in the Gas Service Agreement and Gas Service Agreement – Seasonal.

On December 21, 2012, OCA filed a statement that it had reviewed and did not object to the proposed natural gas tariff sheets filed by Interstate Power and Light Company on December 11, 2012.

## **II. Legal Standards**

The legal standard for review of compliance tariffs in a rate proceeding is whether those tariffs appropriately implement the Board's final decision. The revised compliance tariff, filed by IPL, implements the Board's November 26, 2012, Final Order and Order Approving Joint Settlement.

## **III. Analysis**

Staff has reviewed the compliance tariff filed by IPL and believes that the tariff addresses the issues raised by the Board in the Board's November 26, 2012, order. Since the compliance tariff implements the Board's decision in the IPL general rate increase docket, staff recommends the Board approve the tariff as filed effective January 10, 2013.

#### **IV. Recommendation**

Review and issue the attached order that approves the compliance tariff filed by IPL in TF-2012-0657 effective January 10, 2013.

cc: rl